

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:
MARK R. DUCHOW

Serial No.: 09/682,876

Filed: October 26, 2001

For: SYSTEM AND METHOD FOR
PROVIDING ELECTRONIC VOUCHERS

Group Art Unit: 3622

Examiner: James W. Myhre

Atty. Dkt. No.: 05012.0003.CNUS01

DECLARATION OF GEORGE SULLIVAN UNDER 37 C.F.R. § 1.132

Assistant Commissioner for Patents
Washington, D.C. 20231

I, George Sullivan, hereby declare:

1. I am over the age of eighteen years, and, except for matters identified as being based on information and belief, have personal knowledge of the matters stated herein. If called upon to do so, I would testify as a witness to these matters.
2. All statements made herein on the basis of personal knowledge are true, and all statements made herein on the basis of information and belief are believed to be true.
3. I am Senior Vice President of Marketing for Genmar Holdings, Inc., the world's largest manufacturer of recreational boats. Genmar markets boats under eighteen different brands, including Glastron, Seaswirl, Crestliner, Wellcraft, Champion, Triumph and others. As part of my duties, I am responsible for developing promotional campaigns for increasing the sales of Genmar's boats and other products. I also track the sales and financial performance of Genmar's products, and I interact on a regular basis with

Genmar's sales force, marketing staff, and key customers so that I can understand the promotional and marketing efforts that contribute to the success of Genmar products in the marketplace.

4. In July 2001, Genmar licensed Mr. Duchow's Internet voucher system and used it in two corporate-wide promotions for selling boats. The first was a ten-day sale in August 2001, dubbed Boatcash.com. During this sale, buyers could access an Internet web site, built using Mr. Duchow's system, to view product information and download electronic vouchers redeemable at local boat dealers. Approximately 1500 boats were sold during this sale using Mr. Duchow's voucher system.

5. A second, larger Internet promotion using Mr. Duchow's system was active January – March 2002. This second promotional program was called HornetownBoatshow.com, and like the first sale, Mr. Duchow's system was used to allow buyers to view product information and download vouchers over the Internet. A total of 11,147 boats were sold using Mr. Duchow's voucher system during this sale. Mr. Duchow was paid a \$33.00 royalty for each of these boats under the license agreement.

6. The use Mr. Duchow's voucher system has had tremendous impact on Genmar's market share for both aluminum and fiberglass boats. Mr. Duchow's voucher system was used to promote both types of boats. As reported by Statistical Surveys, Inc., an independent reporting organization that tracks new boat registrations throughout America, Genmar fiberglass boats enjoyed a 14.2% increase in market share during the first half of 2002, as compared to the same period in 2001. During the first half of 2002, Genmar's unit sales for fiberglass boats increased by 7.6%, while the fiberglass boat industry report of loss of (5.7%) in year-to-year comparison. For aluminum boats,

Genmar market share increased by 5.9% during the same period. Genmar brands reported a unit sales increase of 3.7%, while the aluminum boat industry as a whole report a decrease in unit sale of (2.2%). It is my belief that the improvement in Genmar's market share and sales was due principally to the use of Mr. Duchow's Internet voucher system and methods during the HometownBoatshow.com promotion of 2002.

7. Genmar has used other types of Internet promotions, but Mr. Duchow's system and business method have outperformed our prior Internet promotions.

8. Genmar licensed Mr. Duchow's methods and voucher system because we were aware of the success that they created for Glastron and Wellcraft brand boats when they were used for earlier boat promotions. Also, Genmar licensed Mr. Duchow's methods and voucher system because they provided a new and unique way of selling boats. Specifically, the voucher system allowed Genmar to offer cash purchasing incentives (vouchers) to buyers over the Internet. The vouchers were redeemable only at the buyers' local retailers. This allowed Genmar to offer purchasing incentives for our various boat brands over the Internet, without offending the distribution agreements and established territories of our retailers.

9. I am aware that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. § 1001).

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 17th day of December, 2002 at Minneapolis, MN.


GEORGE SULLIVAN